

Office of the Inspector General

www.dcig.org

Description	FY 2003 Approved	FY 2004 Proposed	% Change
Operating Budget	\$11,461,442	\$11,293,880	-1.5

The mission of the Office of the Inspector General (OIG) is to independently perform the following:

- Conduct and supervise audits, investigations, and inspections relating to the programs and operations of District departments and agencies, including independent agencies.
- Provide leadership, coordinate and recommend policies designed to promote economy, efficiency, and effectiveness, and prevent and detect corruption, mismanagement, waste, fraud, and abuse in District programs and operations.
- Continuously inform the Mayor, Council, and District government department and agency heads about problems and deficiencies relating to the administration of these

programs and operations and the necessity for corrective actions.

The OIG will enhance its measures and the means to measure how well it achieves its strategic goals with the implementation of four new initiatives for FY 2004:

- The Investigations Division will measure criminal convictions.
- The Investigations Division will measure fines, recoveries and restitutions.
- The Medicaid Fraud Control Unit will measure abuse cases.
- The Audit Division will measure the percentage of audit recommendations implemented by District agencies.

The Office of the Inspector General plans to fulfill its mission by achieving the following strategic result goals:

- Increase the number of criminal convictions.
- Increase the number of management and investigative reports.
- Increase the amount of recovered funds through Medicaid fraud investigations.

Did you know...	
Hotline	(202) 727-0267 1-(800) 521-1639
Number of investigative matters received/number of investigations closed.	451/299
Percentage of recommendations resulting from IG audits, implemented by District agencies in FY 2002.	80

Where the Money Comes From

Table AD0-1 shows the sources of funding for the Office of Inspector General.

Table AD0-1

FY 2004 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2001	Actual FY 2002	Approved FY 2003	Proposed FY 2004	Change From FY 2003	Percent Change
Local Fund	10,673	10,581	10,196	10,039	-157	-1.5
Special Purpose Revenue Fund	0	0	0	0	0	0.0
Total for General Fund	10,673	10,581	10,196	10,039	-157	-1.5
Federal Grant	980	1,038	1,265	1,255	-10	-0.8
Total for Federal Resources	980	1,038	1,265	1,255	-10	-0.8
Intra-District Fund	0	0	0	0	0	0.0
Total for Intra-District Funds	0	0	0	0	0	0.0
Gross Funds	11,652	11,619	11,461	11,294	-168	-1.5

How the Money is Allocated

Tables AD0-2 and 3 show the FY 2004 proposed budget for the agency at the Comptroller Source Group level (Object Class level) and FTEs by fund type.

Table AD0-2

FY 2004 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2001	Actual FY 2002	Approved FY 2003	Proposed FY 2004	Change from FY 2003	Percent Change
11 Regular Pay - Cont Full Time	5,870	6,410	6,899	7,111	213	3.1
12 Regular Pay - Other	71	36	0	0	0	0.0
13 Additional Gross Pay	489	228	0	0	0	0.0
14 Fringe Benefits - Curr Personnel	826	1,002	924	1,079	155	16.8
Subtotal Personal Services (PS)	7,256	7,676	7,823	8,191	368	4.7
20 Supplies and Materials	76	95	65	66	1	0.9
31 Telephone, Telegraph, Telegram, Etc	107	113	131	112	-18	-14.1
32 Rentals - Land and Structures	646	740	804	824	20	2.5
34 Security Services	0	10	10	17	7	68.1
40 Other Services and Charges	3,018	2,666	2,511	1,980	-531	-21.2
41 Contractual Services - Other	0	0	0	0	0	0.0
50 Subsidies and Transfers	55	89	89	89	0	0.5
70 Equipment & Equipment Rental	494	230	29	16	-14	-46.9
Subtotal Nonpersonal Services (NPS)	4,396	3,943	3,639	3,103	-535	-14.7
Total Proposed Operating Budget	11,652	11,619	11,461	11,294	-168	-1.5

Table AD0-3

FY 2004 Full-Time Equivalent Employment Levels

	Actual FY 2001	Actual FY 2002	Approved FY 2003	Proposed FY 2004	Change from FY 2003	Percent Change
General Fund						
Local Fund	80	89	92	92	0	0.0
Total for General Fund	80	89	92	92	0	0.0
Federal Resources						
Federal Grant	11	13	16	16	0	0.0
Total for Federal Resources	11	13	16	16	0	0.0
Total Proposed FTEs	91	102	108	108	0	0.0

Gross Funds

The proposed budget is \$11,293,880, representing an increase of 1.5 percent from the FY 2003 approved budget of \$11,461,442. There are 108 total FTEs for the agency, representing no change from FY 2003.

General Fund

Local Funds. The proposed budget is \$10,038,963, a decrease of \$157,479 over the FY 2003 approved budget of \$10,196,442. There are 92 FTEs funded by Local sources, representing no change from FY 2003.

Changes from the FY 2003 approved budget are:

- An increase of \$364,122 for salaries to support step increases and fringe benefits.
- A reduction of \$318,686 in Nonpersonal Services reflecting gap-closing measures for FY 2004.
- A reduction of \$193,796 in other services based on prior year actuals and anticipated costs for FY 2004.
- A reduction of \$7,175 for equipment and rentals due to a diminished need for equipment.
- A reduction of \$1,944 in fixed costs based on the Office of Finance and Resource Management's estimates.

Federal Funds

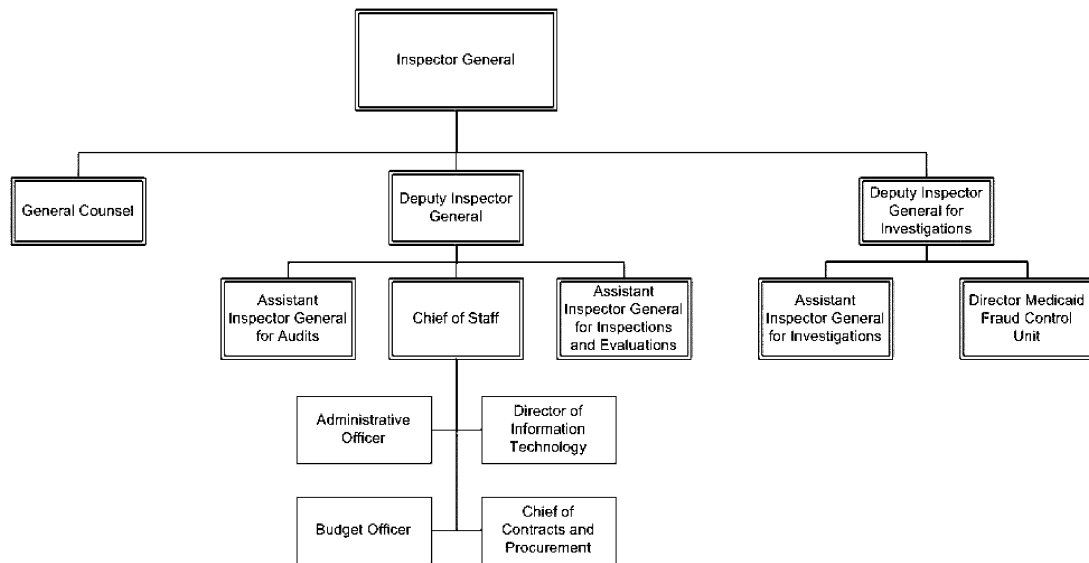
The proposed budget is \$1,254,917, a decrease of \$10,083 from the FY 2003 approved budget of \$1,265,000. The Federal amount was lowered to align with the grants received for FY 2004. There are 16 FTEs funded by Federal sources, representing no change from FY 2003.

Changes from the FY 2003 approved budget are:

- A net reduction of \$32,878 for other services, supplies, subsidies, and equipment based on prior year actuals and anticipated requirements for FY 2004.
- An increase of \$19,044 in fixed costs based on the Office of Finance and Resource Management's estimates.
- An increase of \$3,751 for salaries to support step increases and fringe benefits.

Figure AD0-1

Office of the Inspector General



Programs

The Office of the Inspector General accomplishes its mission through four operating divisions:

- The Audit Division conducts audits, reviews and analyses of financial, operational, and programmatic functions.
- The Inspections and Evaluation Division is responsible for inspections and evaluations of District agencies in accordance with defined performance criteria. Management and programs are evaluated and recommendations are made relating to improving overall efficiency and effectiveness.
- The Investigations Division investigates fraud and other misconduct by District government employees and contractors doing business with the District of Columbia.
- The Medicaid Fraud Control Unit investigates and prosecutes cases of patient abuse and neglect and cases of Medicaid fraud by health care providers.

Agency Goals and Performance Measures

Goal 1: Promote economy, efficiency, and effectiveness and improve financial management.

Citywide Strategic Priority Area(s): Promoting Economic Development; Making Government Work

Manager(s): Cheryl Johnson, Deputy AIG for Audits

Supervisor(s): William J. DiVello, AIG for Audits

Measure 1.1: Number of financial and performance audit reports produced on District programs and operations

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	16	18	24	24	24
Actual	17	31	-	-	-

Note: OIG adjusted the FY 2003-2004 targets from 18 and 22, respectively, to 24. (01/02/03)

Measure 1.2: Number of management reports produced

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	17	19	13	14	15
Actual	21	5	-	-	-

Note: These reports include Management Alert, Fraud Alert and Management Information Reports. OIG adjusted the FY 2003-2004 targets from 21 to 13 and 23 to 14, respectively. (01/02/03)

Measure 1.3: Potential monetary benefits due to audits (millions of \$)

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	40	32	25	25	25
Actual	30.4	40.5	-	-	-

Note: The original title of this measure was "Savings due to audits." The agency expects potential monetary benefits to begin to level off and even decrease as it continues to audit District agencies, due to greater efficiency and implementation of corrective actions. Consequently, OIG has reduced the FY 2003-2004 targets from \$34 and \$36 million to \$25 million each year to reflect this expectation, which ultimately lies beyond OIG's control.

Measure 1.4: Number of District agencies in which audits were conducted

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	16	18	20	22	22
Actual	17	24	-	-	-

Note: The original title for this measure was "Number of District agencies covered." OIG revised the measure name for clarity. (01/13/03)

Measure 1.5: Percentage of recommendations implemented

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	N/A	N/A	-	-	85
Actual	N/A	80	-	-	-

Note: This is a new performance measure. OIG conducted an audit of District Agencies' Implementation of Audit Recommendations in FY 2002. The audit results were used to establish a baseline. The audit will be conducted on a triennial basis with the next audit scheduled to be completed in FY 2005.

Goal 2: Abate public corruption and fraud in District agencies.

Citywide Strategic Priority Area(s): Promoting Economic Development; Making Government Work

Manager(s): Alfred Miller, Deputy AIG for Investigations

Supervisor(s): Robert andary, AIG for Investigations

Measure 2.1: Number of investigation reports prepared

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	90	95	90	95	-
Actual	46	25	-	-	-

Note: OIG adjusted the FY 2003 target from 100 to 90 and the FY 2004 target from 105 to 95. (1/13/03)

Measure 2.2: Number of investigation matters received

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	600	640	450	450	660
Actual	512	451	-	-	-

Note: Outside of the control of OIG. The agency adjusted FY 2003-2004 targets from 660 to 450 each year to reflect historical trends. (1/13/03)

Measure 2.3: Number of investigations opened

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	170	175	180	190	190
Actual	182	162	-	-	-

Measure 2.4: Number of investigations closed

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	172	180	185	194	194
Actual	159	299	-	-	-

Measure 2.5: Number of matters referred

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	150	155	160	170	170
Actual	168	143	-	-	-

Note: Outside of the control of OIG.

Measure 2.6: Number of referrals closed

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	123	130	144	153	153
Actual	154	163	-	-	-

Measure 2.7: Number of management reports produced, including Management Alert, Fraud Alert, and Management Information Reports

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	16	18	10	10	-
Actual	11	6	-	-	-

Note: Management reports began in FY 2000. The agency expects the number of urgent reports to begin to level off and even decrease as it continues to investigate, due to greater awareness about mismanagement and misconduct. Consequently, OIG adjusted the FY 2003 target from 20 to 10 and the FY 2004 target from 25 to 10. (1/13/03)

Measure 2.8: Number of hotline calls received

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	340	374	200	200	-
Actual	327	211	-	-	-

Note: Outside of the control of OIG. The agency adjusted the FY 2003 and 2004 targets from 400 and 450, respectively to 200 each year to reflect historical trends. (01/13/03)

Measure 2.9: Number of criminal convictions

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	N/A	N/A	16	25	25
Actual	N/A	16	-	-	-

Note: This new performance measure reflects the criminal law enforcement responsibility of the Investigations Division.

Measure 2.10: Dollar value of fines, recoveries and restitutions (millions of dollars)

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	N/A	N/A	1.0	1.2	1.2
Actual	N/A	0.9	-	-	-

Note: This new performance measure reflects the criminal law enforcement responsibility of the Investigations Division.

Goal 3: Promote economy, efficiency, and effectiveness in District agencies.

Citywide Strategic Priority Area(s): Promoting Economic Development; Making Government Work

Manager(s): Robert Isom, Deputy AIG for Inspections and Evaluations

Supervisor(s): Alvin Wright Jr., AIG for Inspections and Evaluations

Measure 3.1: Number of inspection reports prepared

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	6	10	6	6	6
Actual	4	1	-	-	-

Note: OIG adjusted the FY 2003-2004 targets from 12 to 6 reports. (01/02/03)

Measure 3.2: Number of management reports prepared

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	3	8	8	8	5
Actual	4	8	-	-	-

Note: OIG adjusted the FY 2003-2004 targets from 10 to 8 reports. (01/02/03)

Measure 3.3: Number of follow-up reports on agency compliance with Office of Inspector General recommendations prepared

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	4	2	3	3	3
Actual	0	1	-	-	-

Note: The original FY 2001 target was found to be unrealistic once inspections were initiated. OIG adjusted the FY 2003-2004 targets after determining that inspected agencies required more time to carry out compliance activities than originally estimated.

Measure 3.4: Percentage of OIG recommendations agreed to by District agency management

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	N/A	N/A	80	80	80
Actual	N/A	77	-	-	-

Goal 4: Heighten integrity awareness and fraud deterrence.

Citywide Strategic Priority Area(s): Promoting Economic Development; Making Government Work

Manager(s): Susan Kennedy, Deputy Director

Supervisor(s): Sidney Rocke, Director

Measure 4.1: Number of reports addressing unusual incidents at nursing and group homes including incidents resulting in injury or illness to a ward or resident of a nursing home, community residence facility, or group home for persons with mental retardation

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	600	600	400	400	400
Actual	2805	816	-	-	-

Note: OIG reduced the FY 2003-2004 targets from 600 to 400 based on a more realistic interpretation of the types of incidents that must be reported to OIG according to established law. (01/02/03)

Measure 4.2: Number of fraud cases initiated

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	40	50	30	30	30
Actual	22	30	-	-	-

Note: The number of fraud cases initiated is dependent on the number of allegations made, which is outside of the control of OIG. OIG has reduced its FY 2003-2004 targets from 60-30 to better reflect historic referrals. (01/02/03)

Measure 4.3: Amount of recovered funds including damages assessed, penalties imposed, and overpayments recouped (millions of dollars)

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	0.5	1.5	2.5	2.5	2.5
Actual	0.4	0.4	-	-	-

Note: FY 2001 actual is \$353,017. Although the FY 2002 actual is approximately \$361,000, settlement offers have been received that far exceed the \$1.5 million for FY 2002 and the outyear targets as well. The pace of litigation, which cannot be controlled, prevents claiming these settlements until the fiscal year in which they are finalized.

Measure 4.4: Number of division reports issued

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	12	18	15	15	15
Actual	11	14	-	-	-

Note: OIG has reduced the FY 2003-2004 targets from 25 and 30 reports, respectively, to 15 reports each year to reflect historical trends. (1/02/03)

Measure 4.5: Number of matters accepted for prosecution

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	N/A	N/A	10	15	15
Actual	N/A	6	-	-	-

Note: Measure 4.5 is the agency's output in response to the number of referrals, a demand measure.

Measure 4.6: Number of abuse cases initiated

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	N/A	N/A	20	20	20
Actual	N/A	18	-	-	-

Note: Measure 4.6 is the agency's output in response to the number of reports of abuse, a demand measure.

